Bill Gorham MAR 5 1973

Hi, Bill.

I'm sorry our correspondence faded away since your return from the Greek cruise last summer. All the usual reasons; and Nixon's carpet-bombing of NIH the last few months all the more. I don't often get to Washington, except for hasty overnights; but I look for some exceptions-- and hope you might turn up the corresponding.

I will be on an NAS "FORUM" panel on May 15, concerning risk-benefit analyses in drug safety, and the overall economics of drug development; and I think this might impinge on your own interests and methodology. In fact, I badly need help-- how to "price" benefits (+ and -) in the face of the kind of uncertainty that attends a)drug hazards, b) drug benefits, and c) the intangible, second-order effects of regulatory behavior on patterns of investment in drug R&D. Any leads or parallels you might have to suggest would be most welcome. (I know the literature in the NAE/COPEP "Perspectives on benefit-risk decision making" reasonably well)

(And if you could participate in the audience that day, that would be a benefit too.)

It seems almost inevitable that we have to nationalize drug R&D if the regulatory procedures (which seem only slightly too restrictive) are going to make the payoffs so problematical, and so long deferred, that private capital won't invest (and the public rarely allows full profit-taking when a health-related investment pays off.) But do we have any encouraging precedents for efficient and fair resource-allocation among major technological alternatives, comparable to the choices that industry now makes on drugs, by public agencies? D OD?